

RESPONSE

Claims 1-7 and 15-19 were rejected under 35 U.S.C. § 102(a) as being anticipated by U.S. Patent No. 5,924,083 to Silverman et al. (hereinafter "Silverman") and claims 8-14 were rejected under 35 U.S.C. § 103 as being unpatentable over Silverman. Claim 8 has been cancelled. Claims 1, 9, 16 and 17 have been amended to more clearly recite Applicant's invention. Accordingly, upon entry of this Amendment, Claims 1-7 and 9-19 will be pending.

Each independent claim (claims 1, 16 and 17) has now been amended to recite that (a) the mutual put provides an option by at least one party to unwind the financial instrument in the future (see original claim 8), and (b) at least one of the mutual put requirements requires the ability to unwind the financial instrument in the future. For the reasons discussed below, each independent claim, and all claims dependent on such independent claims, are believed patentable over the prior art.

As noted in Applicant's Specification, Silverman "describes a distributed trading system for displaying a credit-filtered view of markets for financial instruments based upon credit limits entered by the trading parties. Each trading entity initially enters credit information which consists of the amount of credit that the trading entity is willing to extend to other trading entities for one or more types of trading instruments. Each trading entity may also create group credit limits by which the trading entity may limit the amount of credit it is willing to extend to a group of potential counterparties." (Specification, p. 2). However, as the Office Action acknowledges, Silverman does not disclose "an option by at least one party to unwind the financial instrument in the future." (OA ¶ 6).

The Office Action asserts that such feature is well known in the art and it would have been obvious to one of ordinary skill in the art to modify Silverman to include such an option to unwind the financial instrument "for the purpose of providing the trading entity the ability to unwind the financial instrument in the future, thus the trading entity has the opportunity to evaluate the counterparty's credit worthiness at the future date." Id.

However, the purpose of the claimed invention is not to provide a trading entity the ability to unwind the financial instrument – that function is already a part of the

financial instrument itself. Rather, the purpose of the claimed invention is to enforce mutual put requirements, where at least one of the parties requires the ability to unwind the financial instrument in the future. Silverman does not teach or describe such mutual put requirements or the ability to enforce such requirements; nor would one of ordinary skill in the art have been motivated to modify Silverman to construct a system to enforce such requirements. Accordingly, each independent claim (claims 1, 16 and 17) is believed patentable over the prior art.

Dependent claims 9, 10, 11 and 13 further recite that the mutual put requirements comprise, a first look for exercising such option, a minimum period after the first look to unwind the option, a maximum period after the first look to unwind the option, and a last time to unwind such option, respectively. As the Office Action acknowledges, Silverman does not disclose a system for enforcing such requirements. (OA ¶ 6). Applicant submits that one of ordinary skill in the art would not have been motivated to modify Silverman to construct a system to enforce such requirements. Accordingly, dependent claims 9, 10, 11 and 13 are believed further patentable over the prior art.

Dependent claims 12 and 14 further recite calculating the minimum of the first look requirements and the maximum of the maximum period requirements. The Office Action acknowledges that neither of these are disclosed by Silverman. (OA ¶ 6). Applicant submits that one of ordinary skill in the art would not have been motivated to modify Silverman to calculate such minimum and maximum periods. Accordingly, dependent claims 12 and 14 are believed further patentable over the prior art.

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In view of the forgoing supporting remarks, Applicant respectfully request allowance of claims 1-7 and 9-19.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicant's representative, please call the number indicated below

Respectfully submitted,

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